

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

IN THE MATTER OF THE
ARBITRATION BETWEEN:

CIVIL ACTION

No. 05-3755

CENTURY INDEMNITY COMPANY,

Petitioner,

v.

PALADIN REINSURANCE
CORPORATION,

Respondent.

MEMORANDUM/ORDER

March ___, 2006

On June 13, 2005, an arbitration panel awarded \$639,902.90 to petitioner Century Indemnity Company ("Century") from Paladin for overdue balances. On July 20, 2005, Century filed a petition to confirm and enter judgment on the arbitration award (Docket # 1). *See* Federal Arbitration Act, 9 U.S.C. § 9. On October 14, 2005, Paladin filed its response to Century's petition, admitting all of the allegations in Century's petition.

On October 14, 2005, Paladin also filed a motion to stay confirmation of the award (Docket # 7). Paladin's motion does not dispute the substance or merits of the arbitration award, but seeks a stay of confirmation on equitable or prudential grounds, owing to its

insolvency. *See* Paladin's Memo. at 1, 3.

Paladin argues that confirmation of Century's award would—in the event that Paladin is liquidated—provide Century with an unfair advantage over Paladin's other creditors. Furthermore, Paladin contends that the arbitration award should be stayed to avoid interference with ongoing regulatory proceedings involving Paladin before the New York Insurance Department.

Century opposes Paladin's motion (Docket # 8) on the grounds that confirmation of the arbitration award will yield no unfair or inappropriate advantage over other creditors, and that no equitable or efficiency objectives will be served by granting the stay. *See* Century's Memo. at 2-3 (citing McKinney's N.Y. Insurance Law §§ 7413, 7425(a)). I agree. Paladin has not presented a persuasive basis for staying confirmation of the award. *Cf. Middleby Corp. v. Hassman Corp.*, 926 F.2d 614, 616 (7th Cir. 1993).

Therefore, it is hereby ORDERED that Century's petition to confirm and enter judgment on an arbitration award (Docket # 1) is GRANTED, and Paladin's motion to stay (Docket # 7) is DENIED.

Pollak, J.